



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Debbie Stabenow
United States Senate
133 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Stabenow:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

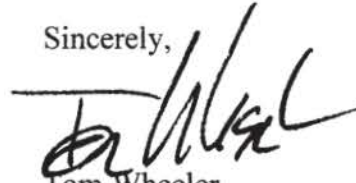
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Debbie Stabenow

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2014

The Honorable Deb Fischer
United States Senate
383 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Fischer:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

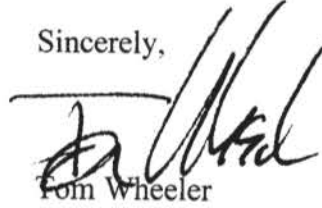
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Deb Fischer

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", is written over a horizontal line. The signature is stylized and cursive.

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2014

The Honorable Dean Heller
United States Senate
324 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Heller:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

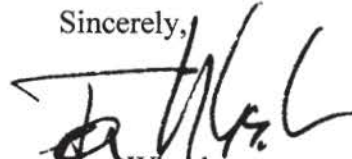
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Dean Heller

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Daniel Coats
United States Senate
493 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Coats:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

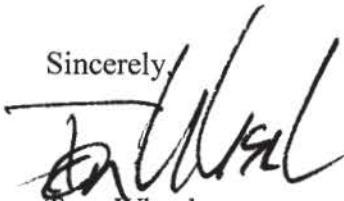
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Daniel Coats

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2014

The Honorable Claire McCaskill
United States Senate
506 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator McCaskill:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."


To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Claire McCaskill

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", written over a horizontal line.

Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Charles Grassley
United States Senate
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Grassley:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

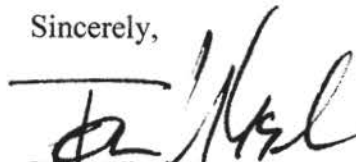
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Charles Grassley

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Angus King, Jr.
United States Senate
359 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator King:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

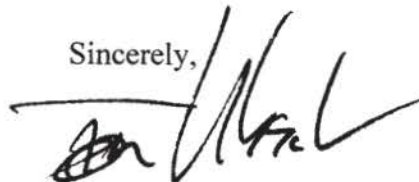
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Angus King, Jr.

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", with a horizontal line drawn across the middle of the signature.

Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Amy Klobuchar
United States Senate
302 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Klobuchar:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

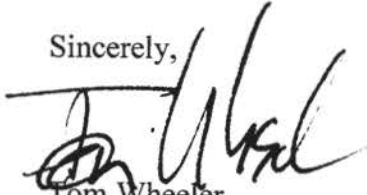
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Amy Klobuchar

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2014

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Franken:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

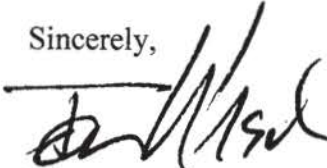
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Al Franken

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2014

The Honorable Tom Harkin
United States Senate
731 HartSenate Office Building
Washington, D.C. 20510

Dear Senator Harkin:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

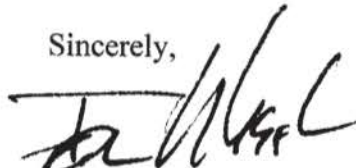
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Tom Harkin

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Wheeler", with a stylized flourish extending from the end.

Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 24, 2014

The Honorable Tim Scott
United States Senate
167 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Scott:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."


To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Tim Scott

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Tim Johnson
United States Senate
136 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Johnson:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

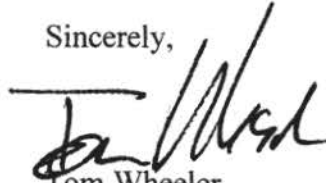
To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.

Page 2—The Honorable Tim Johnson

I look forward to working with you as we continue the work of reforming and modernizing the universal service fund high-cost program – as well as other components of the Fund – to ensure that all Americans have access to robust voice and broadband services.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 24, 2014

The Honorable Tammy Baldwin
United States Senate
717 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Baldwin:

Thank you for your letter supporting the implementation of a universal service mechanism to allow rural rate-of-return carriers to receive support for broadband-only lines. This is one of the key issues that the Commission raised in the *Connect America Fund Further Notice of Proposed Rulemaking* that we adopted in April. Your views on this matter are very important, and will be included in the record of the proceeding and considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service program to ensure that we are delivering the best possible voice and broadband experiences to rural America within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion. I agree with you that we need to ensure the universal service support mechanisms are serving their intended purpose of "increas[ing] broadband deployment, facilitat[ing] transition to new communications technologies, and bridg[ing] the digital divide."

To that end, in April, the Commission voted to move forward with Phase II of the Connect America Fund for price-cap carriers, and took several steps to improve the climate for broadband investment in areas served by incumbent rate-of-return carriers. Most notably, we eliminated the Quantile Regression Analysis benchmarks rule because it was not serving its intended purpose. In addition, in the above-mentioned *Further Notice*, the Commission proposed to adopt a stand-alone broadband funding mechanism for rate-of-return carriers and sought comment on how to support the deployment of broadband-capable networks by rate-of-return carriers within the current budget for the program. We welcome a dialogue regarding how a standalone broadband mechanism could be structured to provide support consistent with the \$2 billion budget for rate-of-return territories.